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MONTANA CONSTITUTIONAL
CONVENTION

STATE DOCUMENTS

ANNUAL REPORT
OF THE
INDUSTRIAL ACCIDENT BOARD



TO THE
GOVERNOR OF MONTANA
HONORABLE FORREST H. ANDERSON

For The
Fiscal Year Ended
June 30, 1971





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J. J. CARDEN
CHAIRMAN
JACK C. CARVER
SIDNEY T. SMITH
MARGARET CONDON
SECRETARY



K. D. BOVEE
COORDINATOR
ROY JAMESON
SAFETY DIRECTOR
A. J. KIELY
FISCAL OFFICER
A. G. PILLEN
CLAIMS MANAGER
B. H. STEVENS
EMPLOYER ACCOUNTS

**STATE OF MONTANA
INDUSTRIAL ACCIDENT BOARD**

HELENA, MONTANA
59601

FORREST H. ANDERSON, GOVERNOR

The Honorable Forrest H. Anderson
Governor
State of Montana
Helena, Montana 59601

Dear Governor Anderson:

Here is the report of the Industrial Accident Board Covering the fiscal year ended June 30, 1971; this is in accordance with the requirements of Section 82-4002, R.C.M., 1947.

Major accomplishments during the year included:

1. Coordinated the activities of the Advisory Committee on Workmen's Compensation.
2. Designated as administrative agency for the Federal Occupational Safety and Health Act.
3. Rewrote the State Metal Mining Safety Law.
4. Designated as administrative agency for Federal Statistical Recordkeeping Program in support of the OSHA Program.
5. Developed coordinated rehabilitation program.
6. Initiated audiometric testing program.

Recommendations to facilitate the achievement of goals include:

1. Provide greater authority to administer existing programs and add new services.
2. Rewrite the Montana Safety Act.

Respectfully submitted,

J. J. CARDEN, Chairman

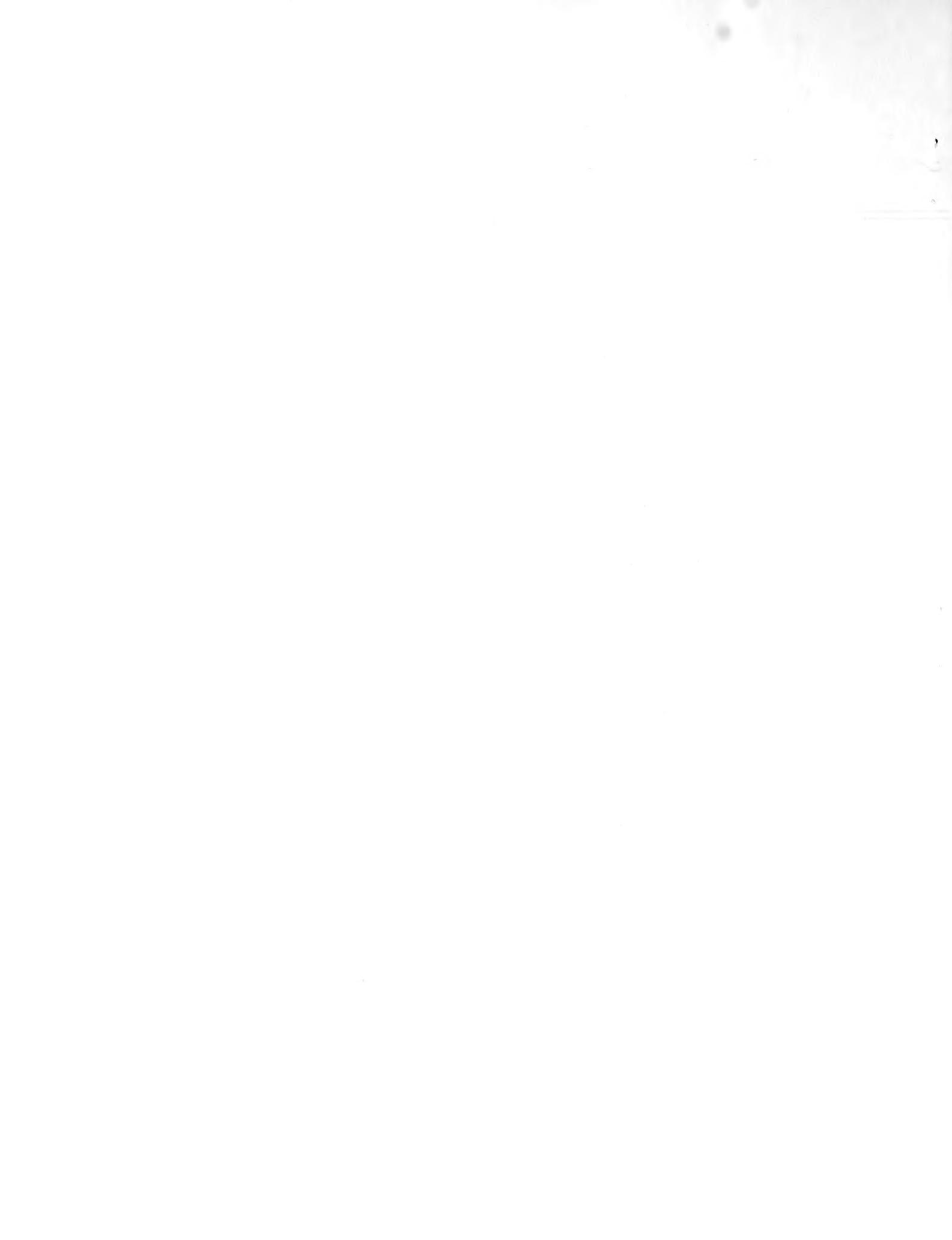
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PRINCIPAL OFFICES AND OFFICERS

INDUSTRIAL ACCIDENT BOARD

OFFICER TERM OF OFFICE	HOME ADDRESS
J. J. Carden, Chairman 3-1-69 - 2-28-73	935 Fifth Avenue, Helena
Jack C. Carver, Member	309 South California, Helena
Sidney T. Smith, Member 3-1-69 - 2-28-73	430 Raymond, Helena
Margaret Condon, Secretary	1330 E. Lyndale, Helena

PRINCIPAL ADMINISTRATIVE OFFICERS

K. D. Bovee.....	Coordinator
Roy Jameson.....	Safety Director
A. J. Kiely.....	Fiscal Officer
Walter H. Marshall.....	Public Information Director
A. G. Pillen.....	Claims Manager
B. H. Stevens.....	Supervisor, Employer Accounts

PRINCIPAL OFFICE

815 Front Street, Helena



LEGAL REFERENCES

GENERALLY

The statutes relating to the operations of the Industrial Accident Board are contained primarily in Sections 92-101 through 92-1406, R.C.M., 1947.

Operating procedures emanate from the Board to administer statutory requirements, and Supreme Court precedence dictates further guidelines within which the Board operates.

SPECIAL

INSPECTION, EVALUATION AND EDUCATION PROGRAM

The administration of the Montana Safety Act, and Laws relating to Boiler Inspection and licensing; regulation of the quartz mining industry is the responsibility of the Department of Safety under the Industrial Accident Board. The statutes relating to this operation are contained in the Montana Safety Act, Sections 41-1708 through 41-1733; Boiler and Engineers Code, Sections 69-1501 through 69-1518; Mines and Boilers Code, Sections 50-901 through 51-906.

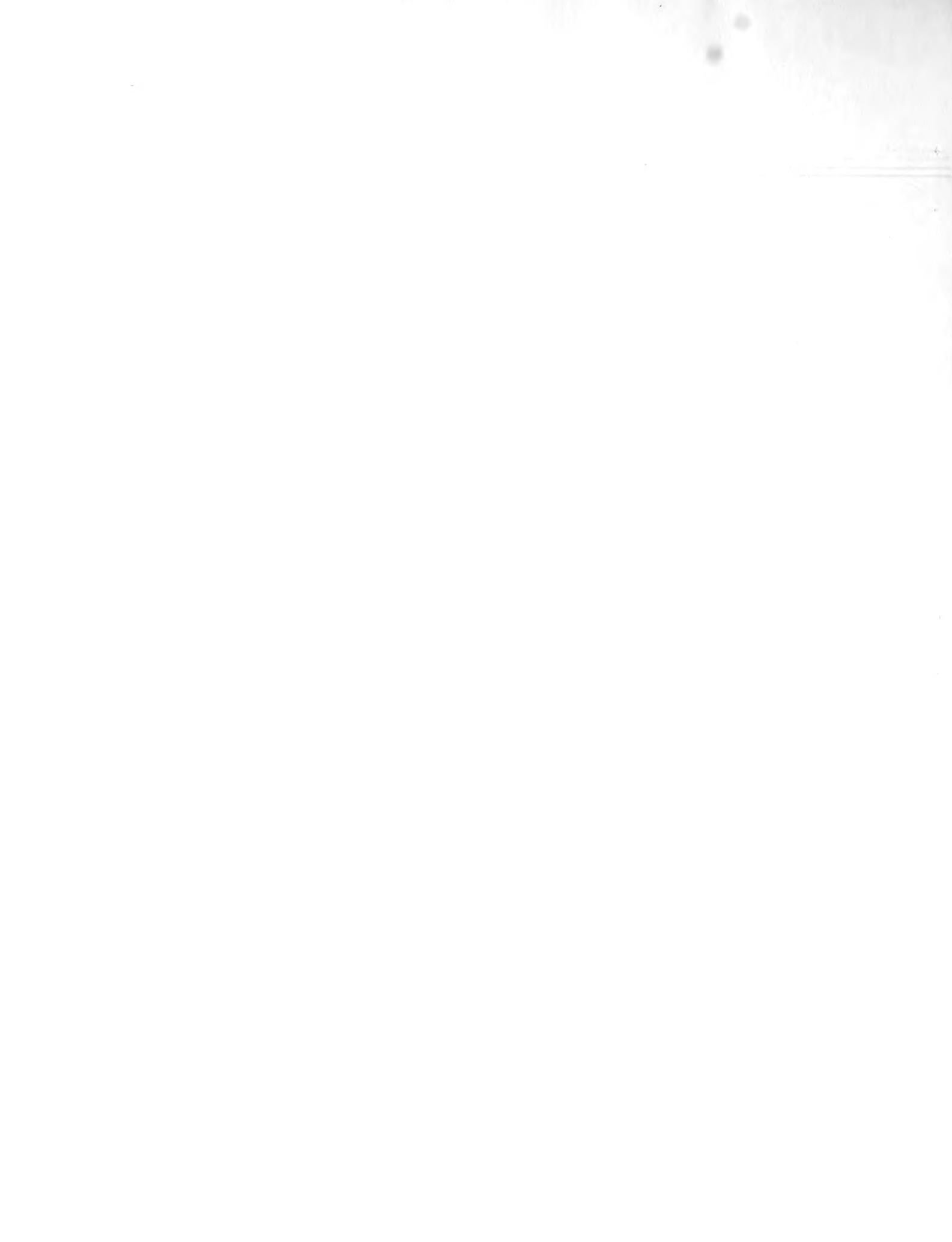
WORKMEN'S COMPENSATION PROGRAM

The administration of the Workmen's Compensation Program is governed by Sections 92-101, 91-123 through 92-1406. The Board is further responsible for the administration of the following:

1. Occupational Disease Act - Sections 92-1301 - 92-1360.
2. Industrial Insurance Second Injury Fund - 92-709A.
3. Volunteer Fireman's Compensation Law - 11-2020 - 2031.
4. Insurance Liquidation Fund - 92-1004.

PRINCIPAL GOALS

The Industrial Accident Board provides prompt and reasonable income and medical benefits to work accident victims, or income benefits to their dependents; provides a single remedy and reduces court delays, costs and work loads arising out of personal injury litigation; encourages maximum employer interest in safety and rehabilitation through an appropriate experience rating program; and promotes frank study of causes of accidents, thereby reducing preventable accidents and human suffering.



MAJOR ACCOMPLISHMENTS

<u>PRIORITY</u>	<u>DESCRIPTION</u>	<u>PROGRAM</u>
1	COORDINATED ACTIVITIES OF THE GOVERNOR'S ADVISORY COMMITTEE ON WORKMEN'S COMPENSATION	WORKMEN'S COMPENSATION
2	DESIGNATED AS ADMINISTRATIVE AGENCY FOR FEDERAL OSHA PROGRAM	INDUSTRIAL SAFETY
3	REWRITED THE STATE METAL MINING SAFETY LAW	INDUSTRIAL SAFETY
4	DESIGNATED AS ADMINISTRATIVE AGENCY FOR FEDERAL OSHA RECORDKEEPING PROGRAM	WORKMEN'S COMPENSATION
5	DEVELOPED COORDINATED REHABILITATION PROGRAM	WORKMEN'S COMPENSATION
6	INITIATED STATE-WIDE AUDIOMETRIC-TESTING PROGRAM	WORKMEN'S COMPENSATION
7	SHORTENED PAY-LAG FOR WAGE COMPENSATION	WORKMEN'S COMPENSATION
8	DEVELOPED 90-DAY HEARING SCHEDULE	WORKMEN'S COMPENSATION
9	IMPROVED PUBLIC-SERVICE COMMUNICATIONS	WORKMEN'S COMPENSATION
10	IMPROVED PLAN-I AND PLAN-II CASE REVIEW	WORKMEN'S COMPENSATION
11	IMPROVED DATA PROCESSING APPLICATIONS	WORKMEN'S COMPENSATION
12	ADOPTED POWER DISTRIBUTION AND TRANSMISSION LINE CODE	INDUSTRIAL SAFETY
13	REVISED BOILER AND ENGINEERING LICENSE LAW	INDUSTRIAL SAFETY
14	SUPPLIED EXPERIENCE DATA TO EMPLOYERS AND PRIVATE CARRIERS	WORKMEN'S COMPENSATION

MAJOR ACCOMPLISHMENTS DESCRIBED

1. Coordinated Activities of The Governor's Advisory Committee.

As a result of skilled, affirmative coordination of the Advisory Committee, 18 bills were presented and approved by the 42nd Legislative Assembly. This effort must be considered the most progressive and thorough recodification accomplishment in Board history.

2. Designated as Administrative Agency for the Federal Occupational Safety and Health Act.

Designated by Governor Forrest H. Anderson as the administrative agency for OSHA, Montana entered into an agreement with the Department of Labor to allow the State of Montana to continue enforcement and administration of the Montana Safety Act and Standards while engaged in a study program to determine State needs to bring our program to a level equal to the Federal requirements.

Following this agreement, a request was made for a Federal grant to fund the planning study; a grant for \$90,264.00 was approved by the Department of Labor.

3. Rewrote the State Metal Mining Safety Law.

Standards were prepared by a special committee; the rewrite was presented in Bill form and signed into law during the 42nd Legislative Session. The standards are equal to the Federal Mine Safety Standards and will be submitted to the Federal Bureau of Mines as a "State Plan."

4. An Agreement was made with the Bureau of Labor Statistics to give Statistical Support to the Federal OSHA Program and to develop a Recordkeeping Program consistent with the Bureau of Labor Statistic's Standards.

An additional grant request was made to fund the study of State needs under the statistical portion of the OSHA program; a grant for \$14,079.00 was approved by the Bureau of Labor Statistics.

5. Developed a Coordinated Rehabilitation Program.

The continued interest of the Industrial Accident Board is vital to the success of a physical and vocational rehabilitation program; consequently, an active role was taken in establishing a "Coordinated Rehabilitation Action Committee" at the Missoula Rehabilitation Center. This committee is comprised as follows:

- (a) A Medical Doctor
- (b) A Clinical Psychologist
- (c) An Occupational Therapist
- (d) An Employment Counselor
- (e) A Vocational Counselor



MAJOR ACCOMPLISHMENTS DESCRIBED (continued)

This program guarantees vocational training tailored to fit the workmen's compensation benefits available in each case and that additional financial help will be available from another agency to assure a high level of success and completion in the training program.

6. Initiated State-Wide Hearing Testing Program.

As a result of legislation passed during the 42nd session, Section 92-710 of the Montana Workmen's Compensation Act, effective January 1, 1972, provides for benefits for loss of hearing resulting from exposure to industrial noise, the Industrial Accident Board recognized the need to test the hearing of workmen employed where industrial noise is prevalent. This was done for the following reasons:

- (A) To protect the employer from liability for hearing loss present prior to January 1, 1972.
- (B) To eliminate litigation that would be costly to both employee and employer in attempting to establish a valid hearing loss claim.

7. Shortened Pay-Lag for Wage Compensation.

Improved administration of claims for wage indemnity benefits have resulted in less time lag between receipt of the injured workmen's claim and his receipt of wage benefits. This is a major tenet of our principal goal.

8. Developed 90-Day Hearing Schedule.

Reduction in delay in handling litigated cases works to the economic advantage of the claimant when there is a question of degree of disability determination to be made.

9. Improved Public Service Communications.

Member radio stations of the Montana Broadcaster's Association have furnished public service time for safety spot announcements supplied by the Industrial Accident Board's Public Information and Education Department. This is a highly effective contribution to the Safety Program and would have cost over \$36,000.00 if the radio time had been purchased.

Developed and published a quarterly bulletin covering current topics of interest in the field of Workmen's Compensation. Current circulation is 1500.

10. Improved Plan I and Plan II - Case Review.

The development of data processing controls to assist the claim's examiners with review of self-insured's and carrier's claim has improved benefit compliance in this crucial area of administration.

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MAJOR ACCOMPLISHMENTS DESCRIBED (concluded)

11. Improved Data Processing Applications.

Installation and development of on-line teleprocessing equipment and techniques have allowed us to make direct inquiries to our data-files located at central data processing; this will result in further improvements and efficiencies in the administration of work injury claims.

12. Adopted Power Distribution and Transmission Line Code.

To establish state safety standards in a critical area which was not covered in the past resulting in improved administrative enforcement.

13. Revised Boiler and Engineering License Law.

The purpose of this action is to improve compliance and administration of the act and restricted Steam Licenses to boilers; also, expanded duties of the Advisory Committee.

14. Supplied Experience Data to State Fund Insureds and Private Carriers.

Accident and claim's data has been made available to employers insured under the State Fund to assist them in developing their safety programs.

Experience data has been made available to private carriers to assist them in developing experience modification rates for Montana employers with good safety records.



MAJOR RECOMMENDATIONS

<u>PRIORITY</u>	<u>RECOMMENDATION</u>	<u>PROGRAM</u>
1	PROVIDE GREATER AUTHORITY TO ADMINISTER EXISTING PROGRAMS AND ADD NEW SERVICES	WORKMEN'S COMPENSATION
2	REWRITE THE MONTANA SAFETY ACT	INDUSTRIAL SAFETY
3	APPROPRIATE \$30,000.00 TO EXPAND THE PUBLIC INFORMATION AND EDUCATION CAPABILITIES	WORKMEN'S COMPENSATION
4	APPROPRIATE \$15,000.00 FOR THE PURCHASE AND DEVELOPMENT OF A MOBILE TRAINING UNIT	WORKMEN'S COMPENSATION
5	APPROPRIATE \$12,000.00 TO PROVIDE FOR A REHABILITATION COUNSELOR	WORKMEN'S COMPENSATION
6	REWRITE THE MONTANA LAWS RELATING TO BOILERS AND ENGINES	INDUSTRIAL SAFETY
7	APPROPRIATE \$6,000.00 TO PROVIDE FOR AN ADDITIONAL CANCELLATION CLERK	WORKMEN'S COMPENSATION

MAJOR RECOMMENDATIONS DESCRIBED

1. Continued effort to upgrade the Montana Workmen's Compensation Act to equal recognized national standards. The needs are as follows:
 - (a) Coverage for agricultural employment.
 - (b) Medical coverage without time limitation.
 - (c) Supervision and control of medical care by the compensation agency.
 - (d) Benefits for life in cases of permanent total disability.
 - (e) Benefits for life, or to remarriage, payable to the widow in death cases.
 - (f) A Second Injury Fund established to permit the employment of the physically handicapped without hardship on the part of either the worker or his employer.
 - (g) Compensation of at least two-thirds of the average weekly wage.
2. Rewrite the Montana Safety Act to equal the provisions of the Federal Occupational Safety Act of 1970.

This will be one of the basic and most important requirements in retaining state control in the area of occupational safety and health in Montana.

The intent is to provide an effective enforcement program to assure everyone in the labor force in Montana a safe and healthful work place --to preserve our human resources.

The legislation will provide for the timely development and promulgation of occupational safety and health standards; provide for training programs to increase the number and competence of personnel.

3. Expanded Public Information and Education Services.

The continued success of this program requires the installation of a complete video-tape studio at a cost of approximately \$15,000.00

The addition of a staff assistant with the professional skills required to effectively expand the Public Information and Education function; this will require additional resources of \$12,000.00 to \$15,000.00 per annum.

4. Implementation of Field Safety Training Capabilities.

The utilization of a mobile training unit would allow greater flexibility in reaching a larger segment of the industrial community with safety education. The need for greater emphasis on safety education is of paramount importance and this mobile training unit as an extension of classroom facilities would prove highly effective.

MAJOR RECOMMENDATIONS DESCRIBED (concluded)

5. Provide for Rehabilitation Counseling.

Claims personnel are dedicated to the mechanics of claims work and rehabilitation is usually outside of their main concern. The mere inclusion of a rehabilitation program in the claims handling function will not produce the ultimate in rehabilitation. To be effective it is imperative that the program be given singular attention by a professional not involved in the claims function.

6. Revision of Boiler and Engine Laws.

The licensing of hoisting engineers needs updating and clarification. The present standards have general application only to mining operations.

The licensing of compressor operators is without clear definition as to size or capacity and types that require a licensed operator.

The licensing of hoisting operators needs clarification.

7. Improve Cancellation Procedures.

This function requires extreme care and accuracy and the current volume is at a level incompatible with efficiency of handling by the one clerk assigned--the need for an additional clerk is absolute.

PROGRAM DESCRIPTIONS

PROGRAM: Administration

GOALS

Provide prompt, reasonable income and medical benefits to work accident victims or income benefits to their dependents as stipulated in the Workmen's Compensation and Occupational Disease Acts.

Promote and enforce safety standards and practices in the industrial community.

OBJECTIVES

Provide prompt wage compensation and medical benefits to qualified claimants or to their dependents.

Improve the procedures of claims processing to reduce court delays, legal costs and workloads arising from personal injury litigation.

Encourage maximum employer interest in safety and rehabilitation through application of appropriate experience rating mechanisms.

Relieve public and private charities from financially supporting uncompensated industrial accident victims.

Supervise Plan I and Plan II activity to assure fair and impartial treatment of claimants indemnified by self-insurers and private carriers.

ACHIEVEMENTS

Realigned work-flow to expedite the claims review process which resulted in a reduction in the time necessary to initiate the first compensation payment to the claimant.

ACHIEVEMENTS (concluded)

The hearings officer is scheduled to hear cases every ninety days; consequently, litigated cases receive prompt attention with minimal delay in processing.

Data processing programing work initiated and near completion relative to Plan I and Plan II cases receive administration. This will greatly improve the effectiveness of claims examiners.

Installation of teleprocessing equipment and program development will produce efficiencies in claim's administration and provide current, timely data for utilization by the Safety Department.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>FISCAL YEAR</u>	
	<u>1970-71</u>	<u>1969-70</u>
Accidents Reported	9,228	9,300
Disabling Injuries per 1,000 Population	29.8	33.2
Claims for Wage Compensation	1,669	1,732
Employers Enrolled Under Plans I and II	7,283	7,000
Safety Inspections Conducted	4,495	4,425
Work Orders Issued	127	40
Special Reports	149	116
Accidents Investigated (fatal and non-fatal)	195	187
Boiler Licenses Renewed	2,800	2,792
Boiler Licensing Examinations Given	547	439
First Aid Courses Conducted	40	27
Safety Meetings Conducted	242	279
Presentations of Safety Films	267	229
Industrial Safety Courses Conducted	16	15

State Fund

Promptness of First Payment (From date of claim to date of payment)	Mean of 14.6 days	Mean of 26.8 days*
	Median of 8.87 days	Median of 14.6 days*

* The figures noted under 1969-70 fiscal year represent a standard evaluation calculated from data for the period July 1, 1968 through June 30, 1971.

PROGRAM: Silicosis

GOALS

Provide prompt, reasonable income to individuals totally disabled and barred from gainful employment because of silicosis.

OBJECTIVES

Continue effective medical screening of applicants to determine qualifications for silicosis disability benefits.

Continue periodic checks of recipients to determine income qualifications.

Ultimately, phase out the program as the incidence of silicosis decreases.

ACHIEVEMENTS

Processed benefit claims for qualified recipients and scheduled medical examinations for new applicants.

Developed direct-mail questionnaire form to determine degree of gainful employment and status of recipient if in a penal or mental institution.

Shift in trend upward in number of new recipients because of shift of claimants with silicosis from occupational disease coverage (maximum duration of 500 weeks of benefits) to silicosis coverage under the Welfare Act.

PERFORMANCE INDICATORS

<u>FACTOR</u>	<u>FISCAL YEAR</u>	
	<u>1970-71</u>	<u>1969-70</u>
Silicosis Benefit Recipient	363	400
Applications Processed	62	59
Applicants Granted Benefits	33	22

PROGRAM COST SUMMARY

<u>PROGRAM</u>	<u>FISCAL YEAR COSTS</u>		
	<u>1970-71</u>	<u>1969-70</u>	<u>Increase (Decrease)</u>
SAFETY	\$ 235,120	\$ 211,471	\$ 23,649
WORKMEN'S COMPENSATION	7,162,786	7,065,502	97,284
SILICOSIS	660,995	691,270	(30,275)
 TOTAL	 \$ 8,058,901	 \$ 7,968,243	 \$ 90,658
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PROGRAM COST DETAIL

	<u>1970-71 F.Y. TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OPERATING EXPENSES</u>	<u>CAPITAL</u>	<u>GRANTS & BENEFITS</u>
SAFETY	\$ 235,079	\$ 135,387	\$ 89,376	\$ 10,316	----
WORKMEN'S COMPENSATION	7,162,829	347,522	278,012	18,548	\$ 6,518,747
SILICOSIS	660,993	5,846	5,126	----	650,021
<u>TOTAL</u>	<u>\$ 8,058,901</u>	<u>\$ 488,755</u>	<u>\$ 372,514</u>	<u>\$ 28,864</u>	<u>\$ 7,168,768</u>

SOURCE OF FUNDING

GENERAL FUND	\$ 660,995
Industrial Administrative Earmarked Revenue Account	879,161
Industrial Accident Agency Account	6,501,979
Volunteer Fireman's Compensation Earmarked Revenue Account	6,904
Industrial Insurance Liquidation Agency Account	3,000
Occupational Disease Agency Account	2,232
Industrial Accident Second Injury Agency Account	4,630
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TOTAL	\$ 8,058,901

